

# 2005 MICHIGAN SBT Miscellaneous Credits

Issued under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

1. Name	2. Federal Employer ID Number (FEIN) or TR Number
---------	---

Read the instructions to determine eligibility before claiming any of these credits.

## PART 1: REFUNDABLE CREDITS

3. Enter the **MEGA Employment Tax Credit** from the *Annual Tax Credit Certificate* ..... 3. \_\_\_\_\_ .00  
4. Enter the amount of **WDSB Credit** allowed by the Bureau of Worker's Disability Compensation ..... 4. \_\_\_\_\_ .00

### APPRENTICESHIP CREDIT. ENTER NAICS CODE

- |   | A | B | C |
|---|---|---|---|
| 5. Enter all payroll and wages paid to each apprentice or special apprentice. Include the value of fringes and other payroll expenses |   |   |   |
| 6. Multiply line 5 by 50% .....   |   |   |   |
| 7. Enter all educational costs paid for each apprentice or special apprentice during the tax year .....                               |   |   |   |
| 8. Add lines 6 and 7 .....  |   |   |   |
| 9. Enter the amount on line 8 - limited to \$1,000, \$2,000 or \$4,000 (see instructions) .....                                       |   |   |   |
10. **Apprenticeship Credit.** Add line 9 across ..... 10. \_\_\_\_\_ .00

**NEXT ENERGY PAYROLL CREDIT.** Available only to businesses located within an alternative energy renaissance zone.

- Enter the street address of property or parcel number: \_\_\_\_\_
11. Enter the total payroll of research, development or manufacturing employees who work primarily within the zone ..... 11. \_\_\_\_\_ .00  
12. **Payroll Credit.** Multiply line 11 by the income tax rate for the tax year ..... 12. \_\_\_\_\_ .00  
13. **Subtotal for Apprenticeship and Next Energy Payroll Credit.** Add lines 10 and 12 ..... 13. \_\_\_\_\_ .00

### TOTAL REFUNDABLE CREDITS

14. Add lines 3, 4 and 13. Enter here and on Form C-8000, line 53 or C-8044, line 19 ..... 14. \_\_\_\_\_ .00

## PART 2: NONREFUNDABLE CREDITS

15. Enter the amount from Form C-8000, line 45 ..... 15. \_\_\_\_\_ .00  
16. Amount of the Unincorporated Credit from Form C-8000, line 46 ..... 16. \_\_\_\_\_ .00  
17. **Tax after Unincorporated Credit.** Subtract line 16 from line 15 ..... 17. \_\_\_\_\_ .00

**ENTERPRISE ZONE CREDIT.** This credit is available only to certified firms located in Benton Harbor.

If this credit is not being claimed, carry the amount from line 17 to line 31.

- Enter the street address of the property or parcel number: \_\_\_\_\_
18. Enter the average value of property located within the zone. .... 18. \_\_\_\_\_ .00  
19. Multiply rentals within the zone by 8 and enter the result ..... 19. \_\_\_\_\_ .00  
20. Total property value within the zone. Add lines 18 and 19 ..... 20. \_\_\_\_\_ .00  
21. Enter the average value of all Michigan property ..... 21. \_\_\_\_\_ .00  
22. Multiply Michigan rentals by 8 and enter the result ..... 22. \_\_\_\_\_ .00  
23. Add lines 21 and 22 ..... 23. \_\_\_\_\_ .00  
24. Divide line 20 by line 23 ..... 24. \_\_\_\_\_ .00  
25. Enter the total payroll within the zone ..... 25. \_\_\_\_\_ .00  
26. Enter total Michigan payroll ..... 26. \_\_\_\_\_ .00  
27. Divide line 25 by line 26 ..... 27. \_\_\_\_\_ .00  
28. Add lines 24 and 27 ..... 28. \_\_\_\_\_ .00  
29. Divide line 28 by 2. If there is only one factor, enter the amount from line 28 ..... 29. \_\_\_\_\_ .00  
30. **Enterprise Zone Credit.** Multiply line 17 by line 29 ..... 30. \_\_\_\_\_ .00  
31. **Tax After Enterprise Zone Credit.** Subtract line 30 from line 17. If less than zero, enter zero ..... 31. \_\_\_\_\_ .00

**MICHIGAN HISTORIC PRESERVATION CREDIT.** If this credit will not be claimed, carry the amount from line 31 to line 36.

32. Total available credit. Enter the amount from Form 3581, line 11 .....	32.	_____	.00
33. <b>Recapture of Michigan Historic Preservation Credit.</b> .....	33.	_____	.00
34. Subtotal. Subtract line 33 from line 32 .....	34.	_____	.00
35. <b>Michigan Historic Preservation Credit.</b> Enter amount from line 31 or 34, whichever is smaller .....	35.	_____	.00
36. <b>Tax After Michigan Historic Preservation Credit.</b> Subtract line 35 from line 31. (If line 35 is negative, add its positive value to line 31) .....	36.	_____	.00
37. Credit forward. If line 34 is greater than line 31, enter the difference .....	37.	_____	.00

**LOW-GRADE HEMATITE PELLET CREDIT.** If this credit will not be claimed, carry the amount from line 36 to line 42.

38. Current year credit. Enter the number of long tons _____ x \$1.00 .....	38.	_____	.00
39. Enter any unused credit from the previous year .....	39.	_____	.00
40. Total available credit. Add lines 38 and 39 .....	40.	_____	.00
41. <b>Low-grade Hematite Pellet Credit.</b> Enter the amount from line 36 or line 40, whichever is smaller .....	41.	_____	.00
42. <b>Tax After Low-grade Hematite Pellet Credit.</b> Subtract line 41 from line 36. If less than zero, enter zero .....	42.	_____	.00
43. Credit forward. If line 40 is greater than line 36, enter the difference .....	43.	_____	.00

**NEXT ENERGY BUSINESS ACTIVITY CREDIT.** If this credit will not be claimed, carry the amount from line 42 to line 46.

44. Available Credit. Enter the Next Energy Business Activity Credit from the Certificate issued by the MEDC .....	44.	_____	.00
45. <b>Next Energy Credit.</b> Enter amount from line 42 or line 44, whichever is smaller .....	45.	_____	.00
46. <b>Tax After Next Energy Credit.</b> Subtract line 45 from line 42. If less than zero, enter zero .....	46.	_____	.00

**PHARMACEUTICAL CREDIT.** If this credit will not be claimed, carry the amount from line 46 to line 61.

47. Qualified Research Expenses (QRE) for pharmaceutical business activity in Michigan for 2005 .....	47.	_____	.00
48. QRE for pharmaceutical business activity in Michigan (2004) .....	48.	_____	.00
49. QRE for pharmaceutical business activity in Michigan (2003) .....	49.	_____	.00
50. QRE for pharmaceutical business activity in Michigan (2002) .....	50.	_____	.00
51. Add lines 48, 49 and 50 .....	51.	_____	.00
52. Average QRE for 3 preceding years. Divide line 51 by 3 .....	52.	_____	.00
53. Increased QRE. Subtract line 52 from line 47 .....	53.	_____	.00
54. Multiply line 53 by 6.5% (0.065) .....	54.	_____	.00
55. Multiply line 52 by 200% (2.00) .....	55.	_____	.00
56. Available Credit. Enter the lesser of lines 54 or 55 .....	56.	_____	.00
57. Enter any unused credit from the previous year .....	57.	_____	.00
58. Enter amount of credit assigned to taxpayer from another taxpayer .....	58.	_____	.00
59. Total available credit. Add lines 56, 57 and 58 .....	59.	_____	.00
60. <b>Pharmaceutical Credit:</b> Enter the amount from line 46 or line 59, whichever is smaller .....	60.	_____	.00
61. <b>Tax After Pharmaceutical Credit.</b> Subtract line 60 from line 46. If less than zero, enter zero .....	61.	_____	.00
62. Credit Forward. If line 59 is greater than line 46, enter the difference .....	62.	_____	.00

**QUALIFIED START-UP BUSINESS CREDIT.** To claim this credit you must attach a certification letter from MEDC.

If this credit will not be claimed, carry the amount from line 61 to line 66.

63. If a certification letter is attached, enter the amount from line 61 .....	63.	_____	.00
64. <b>Recapture of Qualified Start-Up Business Credit</b> .....	64.	_____	.00
65. Subtotal. Subtract line 64 from line 63 .....	65.	_____	.00
66. <b>Tax After Qualified Start-Up Business Credit.</b> Subtract line 65 from line 61 (If line 65 is negative, add its positive value to line 61.) .....	66.	_____	.00

**DONATED AUTOMOBILE CREDIT.** If this credit will not be claimed, carry the amount from line 66 to line 68.

67. Enter 50% of the Value of Donated Vehicle from attached Form 4284, <i>Donor Tax Credit Certificate for Donated Automobile</i> , or \$100, whichever is smaller .....	67.	_____	.00
68. <b>Tax After Donated Automobile Credit.</b> Subtract line 67 from line 66. If less than zero, enter zero .....	68.	_____	.00

**CREATED JOBS CREDIT.** If this credit will not be claimed, carry the amount from line 68 to line 71. If claiming this credit, complete and attach the Created Jobs Credit Worksheet I on page 5 of this form.

69. Total available credit. Enter the amount from the Created Jobs Credit Worksheet I, line 5i ..... 69. \_\_\_\_\_ .00  
 70. **Created Jobs Credit.** Enter the amount from line 68 or 69, whichever is smaller ..... 70. \_\_\_\_\_ .00  
 71. **Tax After Created Jobs Credit.** Subtract line 70 from line 68 ..... 71. \_\_\_\_\_ .00  
 72. Credit Forward. If line 69 is greater than line 68, enter the difference ..... 72. \_\_\_\_\_ .00  
 73. Enter the subtotal of the Apprenticeship and Next Energy Payroll Credits from line 13 ..... 73. \_\_\_\_\_ .00  
 74. **Tax After Apprenticeship and Next Energy Payroll Credit.** Subtract line 73 from line 71.  
 If less than zero, enter zero ..... 74. \_\_\_\_\_ .00

**"OLD" BROWNFIELD CREDIT.** If this credit will not be claimed, carry the amount from line 74 to line 79.

Enter the street address of the property or parcel number: \_\_\_\_\_

75. Enter any unused credit from the previous years ..... 75. \_\_\_\_\_ .00  
 76. **Recapture of Old Brownfield Credit.** ..... 76. \_\_\_\_\_ .00  
 77. Subtotal. Subtract line 76 from line 75. .... 77. \_\_\_\_\_ .00  
 78. **Old Brownfield Credit.** Enter the amount from line 74 or line 77, whichever is smaller ..... 78. \_\_\_\_\_ .00  
 79. **Tax After Old Brownfield Credit.** Subtract line 78 from line 74.  
 (If line 78 is negative, add its positive value to line 74.) ..... 79. \_\_\_\_\_ .00  
 80. Credit Forward. If line 77 is greater than line 74, enter the difference ..... 80. \_\_\_\_\_ .00

**RENAISSANCE ZONE CREDIT.** If this credit will not be claimed, carry the amount from line 79 to line 82. If claiming this credit, complete the Renaissance Zone Worksheet on page 4 of this form.

81. **Renaissance Zone Credit.** Enter the amount from the Renaissance Zone Worksheet, line 24 ..... 81. \_\_\_\_\_ .00  
 82. **Tax After Renaissance Zone Credit.** Subtract line 81 from line 79. If less than zero, enter zero ..... 82. \_\_\_\_\_ .00  
 83. If a WDSB Credit is being claimed, enter the amount from line 4 ..... 83. \_\_\_\_\_ .00  
 84. **Tax After WDSB Credit.** Subtract line 83 from line 82. If less than zero, enter zero. .... 84. \_\_\_\_\_ .00

**"NEW" BROWNFIELD CREDIT.** If this credit will not be claimed, carry the amount from line 84 to line 91.

85. Enter the amount of available credit from the *SBT Brownfield Redevelopment Credit Certificate of Completion*, or the amount of credit from the *SBT Brownfield Credit Assignment* form ..... 85. \_\_\_\_\_ .00

86. Enter any unused credit from the previous years ..... 86. \_\_\_\_\_ .00  
 87. Total Available Credit. Add lines 85 and 86 ..... 87. \_\_\_\_\_ .00  
 88. **Recapture of New Brownfield Credit.** ..... 88. \_\_\_\_\_ .00  
 89. Subtotal. Subtract line 88 from line 87. .... 89. \_\_\_\_\_ .00  
 90. **New Brownfield Credit.** Enter the amount from line 84 or 89, whichever is smaller ..... 90. \_\_\_\_\_ .00  
 91. **Tax After New Brownfield Credit.** Subtract line 90 from line 84.  
 (If line 90 is negative, add its positive value to line 84.) ..... 91. \_\_\_\_\_ .00  
 92. Credit Forward. If line 89 is greater than line 84, enter the difference ..... 92. \_\_\_\_\_ .00

**MEGA BUSINESS ACTIVITY CREDIT.** If this credit will not be claimed, carry the amount from line 91 to line 97.

93. Enter the MEGA Business Activity Credit from the Annual Tax Credit Certificate ..... 93. \_\_\_\_\_ .00  
 94. Enter any unused credit from the previous years ..... 94. \_\_\_\_\_ .00  
 95. Total Available Credit. Add lines 93 and 94 ..... 95. \_\_\_\_\_ .00  
 96. **MEGA Business Activity Credit.** Enter the amount from line 91 or line 95, whichever is smaller ..... 96. \_\_\_\_\_ .00  
 97. **Tax After MEGA Business Activity Credit.** Subtract line 96 from line 91. If less than zero, enter zero ..... 97. \_\_\_\_\_ .00  
 98. Credit Forward. If line 95 is greater than line 91, enter the difference ..... 98. \_\_\_\_\_ .00

**TOTAL NONREFUNDABLE CREDITS**

99. Add lines 30, 35, 41, 45, 60, 65, 67, 70, 78, 81, 90 and 96. Enter here and on Form C-8000, line 47 ..... 99. \_\_\_\_\_ .00

# RENAISSANCE ZONE CREDIT WORKSHEET

1. Tax liability before Renaissance Zone Credit. Enter the amount from C-8000MC, line 79 ..... 1. \_\_\_\_\_ .00  
 Enter the street address of the property or parcel number: \_\_\_\_\_

## Business Activity Factor:

2. Enter the average value of property located within the zone ..... 2. \_\_\_\_\_ .00  
 3. Multiply rentals within the zone by 8 and enter the result ..... 3. \_\_\_\_\_ .00  
 4. Total property value within the zone. Add lines 2 and 3 ..... 4. \_\_\_\_\_ .00  
 5. Enter the average value of all Michigan property ..... 5. \_\_\_\_\_ .00  
 6. Multiply Michigan rentals by 8 and enter the result ..... 6. \_\_\_\_\_ .00  
 7. Add lines 5 and 6 ..... 7. \_\_\_\_\_ .00  
 8. Divide line 4 by line 7 ..... 8. \_\_\_\_\_ %  
 9. Enter total payroll for services performed within the zone ..... 9. \_\_\_\_\_ .00  
 10. Enter total Michigan payroll ..... 10. \_\_\_\_\_ .00  
 11. Divide line 9 by line 10 ..... 11. \_\_\_\_\_ %  
 12. Add lines 8 and 11 ..... 12. \_\_\_\_\_ %  
 13. Business Activity Factor. Divide line 12 by 2. If there is only one factor, enter the amount from line 12 ..... 13. \_\_\_\_\_ %  
 14. Credit based on the Business Activity Factor. Multiply line 13 by line 1 ..... 14. \_\_\_\_\_ .00

## Adjusted services performed in the Renaissance Zone:

15. Enter the amount on line 9 ..... 15. \_\_\_\_\_ .00  
 16. Enter the depreciation added to tax base for property exempt under MCL 211.7ff. Claim property exempt in the tax year; claim new property\* that will be exempt in the immediately following tax year ..... 16. \_\_\_\_\_ .00  
 17. Add lines 15 and 16 ..... 17. \_\_\_\_\_ .00  
 18. Partnerships, LLCs, S Corporations and individuals only:  
     A. Enter business income ..... 18A. \_\_\_\_\_ .00  
     B. Enter apportionment factor ..... 18B. \_\_\_\_\_ %  
     C. Enter amount from line 13 ..... 18C. \_\_\_\_\_ %  
     D. Multiply line 18A by line 18B by line 18C ..... 18D. \_\_\_\_\_ .00  
     E. Add lines 17 and 18D ..... 18E. \_\_\_\_\_ .00

## Adjusted Services:

A. Enter the amount from line 17, or, if taxpayer is a Partnership, LLC, S Corp or Individual, amount from line 18E ..... 19A. \_\_\_\_\_ .00  
 B. Multiply line 19A by 10% (.10) ..... 19B. \_\_\_\_\_ .00  
 20. Credit for businesses first located within a Renaissance Zone after November 30, 2002. Enter lesser of line 14 or line 19B ..... 20. \_\_\_\_\_ .00

## Renaissance Zone Credit for Businesses first located within a Renaissance Zone before December 1, 2002 ONLY

21 A. Enter Renaissance Zone Credit allowed in 2002 ..... 21A. \_\_\_\_\_ .00  
 B. Total payroll for services performed within the Zone in 2002 ..... 21B. \_\_\_\_\_ .00  
 C. Depreciation for property exempt under MCL 211.7ff claimed in 2002 ..... 21C. \_\_\_\_\_ .00  
 D. Add lines 21B and 21C ..... 21D. \_\_\_\_\_ .00  
 E. Subtract line 21D from line 17. If less than zero, enter zero ..... 21E. \_\_\_\_\_ .00  
 F. Multiply line 21E by 2% (.02) ..... 21F. \_\_\_\_\_ .00  
 G. Add lines 21A and 21F ..... 21G. \_\_\_\_\_ .00  
 22. Enter the lesser of line 14 or line 21G ..... 22. \_\_\_\_\_ .00  
 23. Enter the amount from line 20 ..... 23. \_\_\_\_\_ .00  
 24. Renaissance Zone Credit. Enter the greater of lines 22 or 23 here and on C-8000MC, line 81 ..... 24. \_\_\_\_\_ .00

\*i.e., property that has not been subject to, or exempt from the collection of taxes under the General Property Tax Act and has not been subject to, or exempt from ad valorem property taxes levied in another state, except that receiving an exemption as inventory property does not disqualify property.

# CREATED JOBS CREDIT - WORKSHEET I

## Part 1: Gross Receipts Qualifier

(Include all members of a controlled group whether or not a member is required to file an SBT annual return. NOTE: If not a controlled group member, enter line 10 from C-8000 as total.)

	Member Name	Date Tax Year Ends	FEIN or TR Number	Gross Receipts
1a.				
1b.				
1c.				
1d.				
1e.				
<b>TOTAL</b>				

If Gross Receipts Total (above) exceeds \$10 million, taxpayer is not eligible for this credit. **Do not** complete this worksheet.

## Part 2: Employee Requirement Qualifier

In 2005, did taxpayer have at least one employee who meets all of the following requirements:

- (i) Employee worked in Michigan for taxpayer in a job that did not exist in the state in 2004; and
- (ii) Employee received health, welfare and noninsured benefit plan from taxpayer; and
- (iii) Employee's 2005 compensation is not being used to calculate a MEGA credit; and
- (iv) Employee did not transfer into this job from a previous position in Michigan with the taxpayer, a related entity [see MCL 208.37f(8)(f)] of the taxpayer, or an entity with which the taxpayer files a consolidated return; and
- (v) Employee performs high-tech activity as defined under MCL 207.803, OR taxpayer's business activity is included in NAICS 33, 321 or 322.

☐ Yes ☐ No - If you answered "No" to Part 2, taxpayer is not eligible for this credit. **Do not** complete this worksheet.

## Part 3: Individual Employee Calculation

Complete Created Jobs Credit Worksheet II for each employee (do not attach Worksheet II, but save it for your records.)

## Part 4: Capital Investment Information

4a. Total capital investment made in 2005 at Michigan locations which are the principal place of employment of a qualified employee. (See Created Jobs Credit Worksheet II, Part 2). Capital investments must qualify for SBT ITC and the amount cannot be higher than line 10 from C-8000ITC. Use this figure to determine the credit percentage (see Table below). ....

4a. \_\_\_\_\_ .00

Capital Investment	Percentage to be Used in Line 5i of this Worksheet
Less than \$150,000	0.5% (.005)
\$150,000 - \$749,999	1.5% (.015)
\$750,000 or above	2.0% (.020)

## Part 5: Created Jobs Credit Calculation

5a. Total 2005 FTE: Add total from line 1j of Created Jobs Credit Worksheet II for all employees ..... 5a. \_\_\_\_\_

5b. Total 2004 FTE: Add total from line 1e of Created Jobs Credit Worksheet II for all employees ..... 5b. \_\_\_\_\_

5c. 2004-2005 FTE increase: Subtract 5b from 5a. If zero or less, taxpayer is not eligible. .... 5c. \_\_\_\_\_

5d. 2005 Qualified Employee Compensation: Add total of 3b from Created Jobs Credit Worksheet II for all qualified employees ..... 5d. \_\_\_\_\_ .00

5e. 2005 Qualified FTE: Add the total of line 3a from Created Jobs Credit Worksheet II for all qualified employees ..... 5e. \_\_\_\_\_

5f. 2005 Average Compensation for Qualified Employee: Divide 5d by 5e ..... 5f. \_\_\_\_\_ .00

5g. FTE Eligible for Created Jobs Credit: Enter the lesser of 5c or 5e ..... 5g. \_\_\_\_\_

5h. Total Compensation Eligible for Created Jobs Credit: Multiply 5f by 5g ..... 5h. \_\_\_\_\_ .00

5i. Created Jobs Credit: Multiply 5h by \_\_\_\_\_ % (from table in Part 4 of this Worksheet).  
Enter this amount on line 69 of C-8000MC. .... 5i. \_\_\_\_\_ .00

## CREATED JOBS CREDIT - WORKSHEET II

**Complete one Created Jobs Credit Worksheet II for each employee and save it for your records.  
Do not attach them to your C-8000MC.**

Employee Name or ID
---------------------

### Part 1: Calculation of Full-Time Equivalent (FTE) for 2004 and 2005:

- 1a. Enter the number of weeks employee worked in Michigan in 2004 ..... 1a. \_\_\_\_\_
- 1b. Employee's 2004 Employment Period Ratio: Divide 1a by 52 ..... 1b. \_\_\_\_\_
- 
- 1c. Enter the number of hours employee worked in Michigan in 2004 ..... 1c. \_\_\_\_\_
- 1d. Employee's 2004 Hours Worked Ratio: Divide 1c by \_\_\_\_\_ the FTE annual  
hours of work standard set by taxpayer (1750-2080 hours) ..... 1d. \_\_\_\_\_
- 1e. Employee's 2004 FTE: Take smaller of 1b and 1d ..... 1e. \_\_\_\_\_
- 
- 1f. Enter the number of weeks employee worked in Michigan in 2005 ..... 1f. \_\_\_\_\_
- 1g. Employee's 2005 Employment Period Ratio: Divide 1f by 52 ..... 1g. \_\_\_\_\_
- 
- 1h. Enter the number of hours employee worked in Michigan in 2005 ..... 1h. \_\_\_\_\_
- 1i. Employee's 2005 Hours Worked Ratio: Divide 1h by the FTE annual  
hours of work standard set by taxpayer and reported in 1d above ..... 1i. \_\_\_\_\_
- 1j. Employee's 2005 FTE: Take smaller of 1g and 1i ..... 1j. \_\_\_\_\_

### Part 2: Employee Information

- (i) Was employee hired by taxpayer in 2005 to perform a job in Michigan? ..... ☐ Yes ☐ No
- (ii) Was employee provided with health, welfare and noninsured benefit plans? ..... ☐ Yes ☐ No
- (iii) Is the employee's job used in the calculation of a MEGA credit? ..... ☐ Yes ☐ No
- (iv) Did the employee transfer into this job from a previous position in Michigan with the taxpayer, a  
related entity [see MCL 208.37f(8)(f)] of the taxpayer, or an entity with which the taxpayer files a ..... ☐ Yes ☐ No  
consolidated return? ..... ☐ Yes ☐ No
- (v) Did the employee perform high-tech activities as defined under MCL 207.803? ..... ☐ Yes ☐ No
- (vi) Enter your NAICS code: \_\_\_\_\_

### Complete Part 3 of this Worksheet only if you answered:

- (A) **Yes** to questions (i), (ii) and (v), and **No** to questions (iii) and (iv); **OR**
- (B) **Yes** to questions (i), (ii) and **No** to questions (iii), (iv) and (v), and your NAICS code is 33, 321 or 322.

### Part 3: Calculation of Compensation and FTE for this Qualified Employee in 2005:

- 3a. Employee's 2005 Qualified FTE: Copy figure from 1j in Part 1 of this worksheet ..... 3a. \_\_\_\_\_
- 3b. Employee's 2005 Qualified Compensation: Enter compensation paid to Qualified  
employee in 2005 (enter \$85,000 if more than \$85,000) ..... 3b. \_\_\_\_\_ .00

*Note: For purposes of determining compensation paid to employees, you may not include compensation paid to a spouse, parent, sibling, child, stepchild, adopted child, or stepparent of an active shareholder or officer (as defined in MCL 208.36), a shareholder of an S corporation, partner of a partnership, a member of a limited liability company, or an individual who is a sole proprietor.*



## Instructions for Form C-8000MC, Miscellaneous Credits

**Purpose:** To allow eligible taxpayers to claim the Michigan Economic Growth Authority (MEGA), Workers' Disability Supplemental Benefit (WDSB), Apprenticeship, Next Energy, Enterprise Zone, Michigan Historic Preservation, Low Grade Hematite Pellet, Pharmaceutical, Renaissance Zone and Brownfield credits. Review the descriptions carefully before claiming a credit as there are strict eligibility requirements. Follow the instructions on the form for each credit.

### PART 1: Refundable Credits

**The MEGA Employment Tax Credit** promotes economic growth and jobs in Michigan. Projects must be certified by MEGA. Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the *Annual Tax Credit Certificate* to the return to substantiate a claim. The credit will be disallowed if the certificate is not attached. For more information, call the Michigan Economic Development Corporation (MEDC) at (517) 373-9808 or visit the MEDC Web site at [medc.michigan.org/miadvantage/incentives](http://medc.michigan.org/miadvantage/incentives).

**The WDSB Credit** is available to self-insured employers only for the amount authorized by the Department of Labor and Economic Growth (DLEG) during the tax year. The authorization date and the amount of credit are on the credit list (LW06401-Z04) given to taxpayers by DLEG. Attach a copy of the credit list(s) to the return to substantiate claims. For more information on WDSB credit eligibility, call DLEG, Bureau of Workers' Disability Compensation, at (517) 322-1879 or (888) 396-5041 or visit the DLEG Web site at [www.michigan.gov/wca](http://www.michigan.gov/wca).

**The Apprenticeship Credit** encourages businesses to hire and provide training to qualified students. The credit equals 50 percent of the payroll expenses paid for the benefit of an apprentice in a qualified program *plus* 100 percent of the cost of classroom instruction and related expenses. Apprentices must be 16-19 years old and enrolled in either high school or a GED program. For tax years beginning after December 31, 2003, the maximum credit allowed annually per apprentice is \$4,000 for companies classified as a tool and die company under the North American Industrial Classification System (NAICS), and \$2,000 for all other companies. In addition, NAICS classified tool and die companies will be allowed a credit of up to \$1,000 annually for qualified expenses incurred in the training of each special apprentice. A special apprentice is not an apprentice as defined above, but is a Michigan resident, 16 - 24 years of age, and is trained through a program that meets all statutory criteria.

To substantiate claims, attach a copy of an approved federal form *ETA 671* to the return for each apprentice. For more information, call the U.S. Department of Labor, Bureau of Apprenticeship and Training, at (517) 377-1746 or visit Michigan's School-to-Registered Apprenticeship Program and Tax Credit Web site at [www.michigan.gov/mdcd](http://www.michigan.gov/mdcd) and click on "Program Fact Sheets."

**The Next Energy Payroll Credit** provides a payroll credit to qualified businesses located within an alternative energy renaissance zone. Qualified businesses must be engaged solely in the research, development or manufacturing of an alternative energy technology. The credit is equal to the payroll amount for the tax year attributable to employees who are working on alternative energy-related research, development or manufacturing and whose regular place of employment is within the zone, multiplied by the income tax rate for that year.

### PART 2: Nonrefundable Credits

**The Enterprise Zone Credit** was created to encourage businesses to locate and expand in areas with high unemployment, low income, high property taxes and low property value. A certified business is eligible for a credit equal to the amount of tax liability attributable to business activity in the enterprise zone for 10 years from the date the business was certified. The only certified enterprise zone eligible for this credit is in Benton Harbor. No new applications are being accepted for this credit. Be sure to enter the street address or the parcel number of the property before beginning the calculation. For more information, see Revenue Administrative Bulletin 1993-10 or call the MEDC at (517) 373-9808.

**The Michigan Historic Preservation Credit** provides tax incentives for homeowners, commercial property owners and businesses to rehabilitate historic resources located in Michigan. The credit is based upon the qualified expenditures made for rehabilitating historic resources.

Form 3581, *Michigan Historic Preservation Tax Credit*, must be attached as well as all attachments requested on that form. Complete and attach Form 3614, *Michigan Historic Preservation Tax Credit Assignment*, if the credit is being assigned.

① **Note:** If the resource is sold or the Certification of Completed rehabilitation is revoked less than five years after the credit is claimed, a percentage of the credit will be subject to recapture. If the credit has been assigned, the recapture is the responsibility of the assignee. The percentages below apply to the years subsequent to the year in which the credit was claimed.

- 100% - If less than 1 year
- 80% - If at least 1 year, but less than 2 years

- 60% - If at least 2 years, but less than 3 years
- 40% - If at least 3 years, but less than 4 years
- 20% - If at least 4 years, but less than 5 years

Questions regarding federal and state certification may be directed to the State Historic Preservation Office (SHPO) at (517) 373-1630. For additional information, visit the SHPO Web site at [www.michigan.gov/shpo](http://www.michigan.gov/shpo). Information about Federal Historic Preservation Tax Incentives is available at [www2.cr.nps.gov](http://www2.cr.nps.gov).

**The Low-Grade Hematite Pellet Credit** provides a credit equal to \$1 per long ton of qualified low-grade hematite pellets consumed in an industrial or manufacturing process that is the business activity of the taxpayer. This credit shall be based on low-grade hematite pellets consumed on or after January 1, 2000. If the credit exceeds the tax liability, the difference may be carried forward for the next five tax years.

**The Next Energy Business Activity Credit** allows an eligible taxpayer to claim a credit for certain qualified business activity if certified under the Michigan Next Energy Authority Act.

“Qualified business activity” is research, development or manufacturing of an alternative energy marine propulsion system, an alternative energy system, an alternative energy vehicle or alternative energy technology (as defined in the Act) or renewable fuel. The credit for a tax year is equal to the amount by which the taxpayer’s SBT liability attributable to qualified business activity for the tax year exceeds the taxpayer’s baseline tax liability attributable to qualified business activity. Attach the certificate issued by MEDC for this credit to the return to substantiate a claim.

For more information, call the MEDC at (517) 373-9808 or visit their Web site at [medc.michigan.org/miadvantage/incentives](http://medc.michigan.org/miadvantage/incentives).

**The Pharmaceutical Credit** provides a credit for qualified research expenses (as defined in section 41 of the IRC) related to the taxpayer’s pharmaceutical-based business activity in Michigan. Eligible taxpayers must be primarily engaged in manufacturing, research, development and sale of pharmaceuticals; have at least 8,500 employees in Michigan whose primary place of employment is within a 100-mile radius of each other, where at least 5,000 of these Michigan employees must be engaged primarily in research and development of pharmaceuticals. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next seven tax years. Complete and attach Form 4079, *Michigan Pharmaceutical Credit Assignment*, if the credit is being assigned.

**The Qualified Start-Up Business Credit** provides a credit for small, relatively new taxpayers with substantial research and development activity. For a qualified taxpayer, the credit is equal to the taxpayer’s SBT

liability for the year. To qualify, a taxpayer must apply to and obtain certification from MEDC, and attach that certificate to its SBT return. The application form is on the MEDC Web site ([medc.michigan.org/miadvantage/incentives](http://medc.michigan.org/miadvantage/incentives)); call (517) 373-9808 for more information. Criteria generally are as follows:

- Fewer than 25 full-time equivalent employees
- Sales of less than \$1,000,000 in the year for which the credit is claimed
- Not publicly traded
- Research and development make up at least 15% of its expenses in the year of the credit
- During the immediately preceding seven years was in one of the first two years of contribution liability under the Michigan Employment Security Act.

① **Note:** A company claiming the Qualified Start-Up Business Credit must pay back a portion of the credit if they move out of the state within three years after the last tax year in which the credit was taken. The following amounts must be added to the tax liability:

- 100% of the total of all credits claimed if the move is within the first tax year after the last tax year for which a credit is claimed.
- 67% of the total of all credits claimed if the move is within the second tax year after the last tax year for which a credit is claimed.
- 33% of the total of all credits claimed if the move is within the third tax year after the last tax year for which a credit is claimed.

**The Donated Automobile Credit** is a nonrefundable credit equal to 50% of the fair market value of an automobile donated to a qualified organization that intends to provide the auto to a qualified recipient for transportation to work. A qualified organization is one certified by the Department of Treasury for this credit. The maximum credit for a year is \$100. Attach Form 4284, *Donor Tax Credit Certificate*, to substantiate this credit.

**The Created Jobs Credit** applies only to tax years beginning in 2005. It is a nonrefundable credit to employers with gross receipts of \$10 million or less, equal to a percentage of compensation paid to employees who performed “created jobs” in Michigan. The percentage varies from 0.5% to 2%, depending on the taxpayer’s capital investment in Michigan this year. A “created job” must meet the following criteria:

- Involve high-technology or manufacturing
- Did not exist in Michigan in the preceding tax year
- Represents an increase in taxpayer’s FTE employees in Michigan from the preceding year
- Employee did not transfer into the job from other Michigan employment for the taxpayer or a related entity



- Benefits include prescription, primary health care, and hospitalization coverage
- Not a qualified new job used to calculate a MEGA Employment Tax Credit or MEGA Business Activity Tax Credit.

Complete and attached the Created Jobs Credit - Worksheet I to claim this credit. Created Jobs Credit - Worksheet II must also be completed for each employee. Do not submit Worksheet II with your return, but retain it for your records.

**The Old Brownfield Credit** was available for tax years that began after December 31, 1996 and before January 1, 2001. The credit carryforwards from credits that were previously approved may still be applied against the current tax liability until the credit is used up or the 10-year limitation has been reached.

① **Note:** A partial recapture of the credit is required if tangible assets used in the calculation of the credit are sold, disposed of, or transferred from the property. The recapture is equal to 10% of the federal basis used for determining gain or loss as of the date of the sale, disposition or transfer.

**The Renaissance Zone Credit** encourages businesses and individuals to move into a designated zone to help revitalize the area. A business located and conducting business activity within the Zone may claim a credit for tax years beginning after December 31, 1996. Beginning with the 2003 tax year, the method of calculating the credit is different for businesses first locating and conducting business activity within a Renaissance Zone before December 1, 2002, and those businesses first locating and conducting business activity within a Renaissance Zone after November 30, 2002. Be sure to enter the street address or the parcel number of the property before beginning the calculation.

Business activities relating to a casino, including operating a parking lot, hotel, motel or retail store, cannot be used to calculate this credit. Businesses delinquent in filing or paying property tax, single business tax or city income tax as of December 31 of the prior tax year are not eligible for this credit. Taxpayers will be notified if a claimed credit is disallowed. Complete the Renaissance Zone Credit Worksheet to claim this credit.

For more information on Renaissance Zones, contact the MEDC at (517) 373-9808 or visit their Web site at [medc.michigan.org/miadvantage/incentives](http://medc.michigan.org/miadvantage/incentives). For information on the SBT credit, contact the Michigan Department of Treasury, Customer Contact Division, SBT Unit, at (517) 636-4700.

**The New Brownfield Credit**, extended through 2007, encourages businesses to make investment on eligible Michigan property that was used or is currently used for commercial, industrial or residential purposes and is

either a facility (environmentally contaminated property), functionally obsolete or blighted. Functionally obsolete or blighted property must be located in a qualified local governmental unit. For the purpose of this credit, the local Brownfield Redevelopment Financing Authority designates eligible property in an approved Brownfield plan.

For the credit to be valid, attach the *Certificate of Completion*, issued after the completion of the approval process, to the return. If the credit is being assigned, attach documentation verifying that the credit is valid. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next 10 tax years.

① **Note:** The sale, disposal, or transfer to another location of **personal** property used to calculate this credit will result in an addition to the tax liability of the qualified taxpayer who was originally awarded the credit in the year in which the sale, disposal or transfer occurs. This is true even if the credit was assigned to someone else. This additional liability will be calculated by multiplying the same percentage as is used to calculate the credit (e.g., 10%) times the federal basis of the property used to calculate gain or loss as of the date of the sale, disposition or transfer.

PA 249 of 2003 transferred the administration of the SBT Brownfield credit program from the Department of Treasury to MEGA. For more information on the approval process, contact the MEDC at (517) 373-9808.

**The MEGA Business Activity Tax Credit** promotes economic growth and jobs in Michigan. Projects must be certified by MEGA. Each year, approved businesses receive a certificate from MEGA showing the total of tax credit allowed. Attach the *Annual Tax Credit Certificate* to the return to substantiate a claim. The credit will be disallowed if the certificate is not attached. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next 10 tax years. For more information, contact MEDC at (517) 373-9808 or visit [medc.michigan.org/miadvantage/incentives](http://medc.michigan.org/miadvantage/incentives).

**Attach this schedule to the return.**